



# Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Joseph M. Scontrino, III, and seconded by Commissioner Katie Anderson:

## RESOLUTION

**A resolution approving and authorizing a Line of Credit/Warehouse Facility not exceeding Two Hundred Million Dollars (\$200,000,000) of Louisiana Housing Finance Agency through the Federal Home Loan Bank of Dallas; requesting the State Bond Commission to approve the Line of Credit/Warehouse Facility through the Federal Home Loan Bank of Dallas; and providing for other matters in connection therewith.**

**WHEREAS**, pursuant to the provisions of Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950 (R.S. 40:600.1 through R.S. 40:600.24, inclusive), as amended (the "Act"), the Louisiana Constitution of 1974, as amended (the "**Constitution**") and other applicable laws of the State of Louisiana (the "**State**"), and pursuant to duly adopted Resolutions of the Board of Commissioners (the "**Board**") of the Louisiana Housing Finance Agency (the "**Agency**") dated October 14, 2009 and November 10, 2009, and an Indenture of Trust (the "**Trust Indenture**") dated as of December 1, 2009 together with a Supplemental Indenture Appendix for Use with Single Family Escrow Bonds for the HFA Initiative New Issue Bond Program (the "**Appendix**" together with the Trust Indenture, the "**Indenture**"), the Agency issued \$120,000,000 GSE Program Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) (the "**GSE Program Bonds**") for the purpose of providing funds to finance the purchase, without recourse, of GNMA Securities, Fannie Mae Securities and/or 2009 Freddie Mac Securities, in each case backed by pools of qualifying mortgage loans (the "**First Mortgage Loans**"), which First Mortgage Loans will be originated by certain mortgage-lending institutions (the "**Participants**") that customarily provide services or otherwise aid in the financing of mortgage loans on single family residential facilities property located in the State to be owned and occupied by low- and moderate-income families or persons residing in the State; and

**WHEREAS**, the Agency will issue on each **Release Date** (as defined in the Indenture) GSE Market Single Family Mortgage Revenue Bonds (Mortgage-Backed Securities Program) (the "**GSE Market Bonds**" and together with the GSE Program Bonds, the "**Bonds**") in an amount not less than the amount necessary to satisfy the **Market Bond Ratio Requirement** (as defined in the Indenture); and

**WHEREAS**, the GSE Program Bonds were initially delivered as taxable variable rate bonds and bear interest at the **Short-Term Rate** (as defined in the Appendix) and will convert to the **Permanent Rate** (as defined in the Appendix) on the **Conversion Date** (as defined in the Appendix); and

**WHEREAS**, the GSE Market Bonds will be sold and delivered as tax-exempt fixed rate bonds within a prescribed period in advance of the Release Date as determined by bond counsel to the Agency; and

**WHEREAS**, prior to a Release Date, First Mortgage Loans will be originated by the Participants pursuant to substantially identical Mortgage Origination Agreements (each an **"Origination Agreement"** and collectively, the **"Origination Agreements"**); and

**WHEREAS**, prior to a Release Date such First Mortgage Loans will be purchased and pooled into GNMA Securities, Fannie Mae Securities or Freddie Mac Securities (collectively, the **Mortgage-Backed Securities**) by Standard Mortgage Corporation (the **"Servicer"**) pursuant to a Master Servicing Agreement (the **"Servicing Agreement"**); and

**WHEREAS**, the Agency has determined it necessary to arrange for a Line of Credit/Warehouse Facility (the **"Warehouse Facility"**) in an amount not to exceed two hundred million dollars (\$200,000,000) through the Federal Home Loan Bank of Dallas (the **"FHLB of Dallas"**) to warehouse the Mortgage-Backed Securities until the Release Date on which the Trustee will be directed to purchase the Mortgage-Backed Securities to become part of the Trust Estate under the Indenture; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

**SECTION 1.** A Warehouse Facility with the FHLB of Dallas of not exceeding Two Hundred Million Dollars (\$200,000,000) of the Agency pursuant to the Act and other constitutional and statutory authority at variable rates not exceeding 12% per annum, and for a maturity not exceeding twelve months for each line of credit draw is hereby approved. The Warehouse Facility is being established for the purpose of warehousing Mortgage-Backed Securities until the Release Date on which such Mortgage-Backed Securities will be purchased by the Trustee under the Indenture. The Warehouse Facility will be a limited obligations of the Agency and will be payable solely from income, revenues and receipts derived by the Agency

from Mortgage-Backed Securities secured by Mortgage Loans originated by the Agency's statewide network of originating lenders. The Chairman, Vice Chairman, Secretary and/or President are hereby authorized to execute such documents, certificates and agreements as may be necessary or convenient to establish the Warehouse Facility and to accomplish the objectives of this resolution.

The Chairman, Vice-Chairman, President and/or Secretary and the Agency's Chief Financial Officer are authorized and directed for and on behalf of and in the name of the Agency as may be appropriate to implement the Warehouse Facility and to execute such other additional instruments, documents and certificates as may be otherwise required or necessary, convenient or appropriate to the establish the Warehouse Facility. The aforesaid officers and Chief Financial Officer are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with the Act as may be approved by Bond Counsel.

**SECTION 2.** Application be and the same is hereby made to the State Bond Commission for approval of the Warehouse Facility with the FHLB of Dallas. The not to exceed costs of issuance attached hereto for the Warehouse Facility is hereby approved.

By virtue of the Agency's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, the Agency resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Agency further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Swaps, or other forms or Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to borrowings and other matters subject to approvals, including

subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

**SECTION 3.** The Chairman, Vice-Chairman, President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to take any and all action required in order to implement the terms and provisions of this resolution and the Chairman be and he is hereby further authorized and empowered, in his sole discretion, in order to expedite the establishment of the Warehouse Facility without a further meeting of this Agency to make such changes in the sale date and other terms of the attached Notice of Intention to Sell at Private Sale (i.e., privately placed or negotiated) as will permit the timely establishment of the Warehouse Facility, all in the best interests of the Agency and the citizens of the State of Louisiana.

**SECTION 4.** That it is recognized that a real necessity exists for the employment of bond counsel in connection with the proceedings necessary to establish the Warehouse Facility and, accordingly, Foley & Judell, L.L.P., Bond Counsel, New Orleans, Louisiana, and Jarrell E. Godfrey, The Godfrey Firm, PLC Co-Bond Counsel be and they are hereby employed as bond counsel to the Authority to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

This resolution having been submitted to a vote, the vote thereon was as follows:

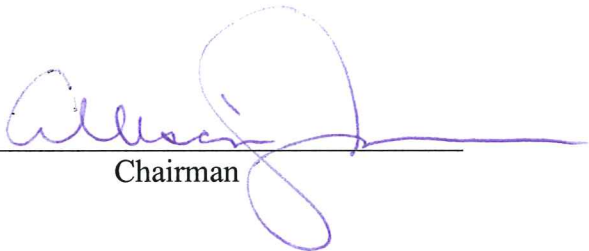
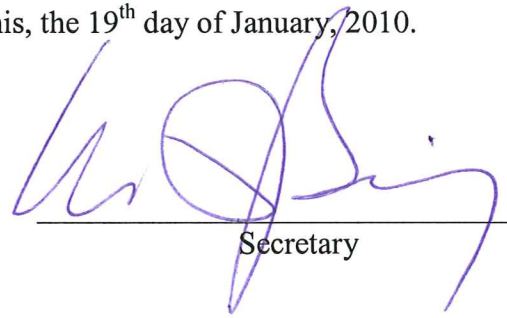
**YEAS:** Allison A. Jones, Donald P. Vallee, Alice Washington obo John Kennedy, J. Mark Madderra, Guy T. Williams, Mayson H. Foster, Michael L. Airhart, Susan W. Sonnier, Joseph M. Scontrino, III, Katie Anderson, Jerome Boykin, Sr., Elsenia Young, Neal P. Miller

**ABSTAIN:**

**NAYS:**

**ABSENT:** Tyrone A. Wilson, Walter O. Guillory

And the resolution was declared adopted on this, the 19<sup>th</sup> day of January, 2010.

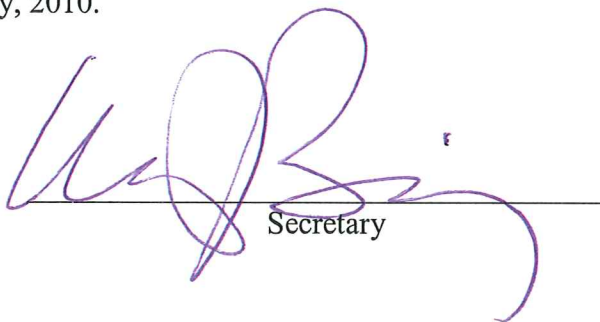
	
_____ Chairman	_____ Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing five (5) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on January 19, 2010, "A resolution approving and authorizing a Line of Credit/Warehouse Facility not exceeding Two Hundred Million Dollars (\$200,000,000) of Louisiana Housing Finance Agency through the Federal Home Loan Bank of Dallas; requesting the State Bond Commission to approve the Line of Credit/Warehouse Facility through the Federal Home Loan Bank of Dallas; and providing for other matters in connection therewith"

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Agency on this, the 19<sup>th</sup> day of January, 2010.



Secretary